

**POLICY
OF SUNWEST HOMEOWNERS ASSOCIATION
REGARDING ALTERNATIVE DISPUTE RESOLUTION (ADR)**

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

PURPOSE: To adopt a standard procedure to be followed for alternative dispute resolution.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE

DATE: November 21st, 2022

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

While neither party shall be required to waive their right to employ legal counsel at their own expense, disagreements between an Owner and the Association or disagreements between individual Owners that pertain to Homeowner Association administration, governance, property, or covenant issues not involving an imminent threat to the peace, health, or safety of the community shall undergo the following 3-step dispute resolution process.

Step 1) Negotiation: Any Homeowner may initiate a request for negotiation by stating in writing the nature and details of the disagreement in a letter to the Board of Directors, Sunwest HOA, c/o the management company. Upon receipt of such request, the Board shall, in timely fashion, make reasonable attempt to convene a meeting between the parties to the disagreement, or with the single party if the disagreement is between the Homeowner and the Association, to negotiate a good faith resolution of the disagreement. During the negotiation process, the parties will communicate directly with one another in an effort to reach an agreement that serves the interests of all parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to all parties involved.

Step 2) Mediation: If the dispute is not resolved by negotiation in a reasonable time, the parties shall agree to participate in a process of

mediation. The mediator will not have the power to decide the resolution of the dispute. The role of the mediator is simply to assist the parties in conducting further negotiations. The mediator shall be selected by a consensus of the parties. If such consensus cannot be reached, the Board of Directors shall select a mediator. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

Step 3) Arbitration: If the dispute is not resolved by mediation, the parties shall submit the matter to binding arbitration. The power to decide the outcome of the dispute will be assigned to the arbitrator, and the parties agree to accept the decision of the arbitrator as final and binding upon them, judgment may be enforced in any court having jurisdiction. In making this agreement, the parties waive all rights to appeal the decision of the arbitrator to a court of law and waive their rights to file a lawsuit and to have a jury resolve the dispute between them. Colorado law and the Colorado rules of civil procedure and evidence shall apply to the arbitration proceeding. The parties shall mutually agree on an arbitrator, if they cannot, the Board of Directors shall select an arbitrator. Any cost of arbitration shall be shared equally among the parties unless they and the arbitrator agree otherwise. The arbitrator shall have the authority to require one party to pay all or a portion of the other party's legal fees and may require one party to reimburse the other for their share of the cost of the mediation step.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Sunwest Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on November 21st, 2022, and in witness thereof, the undersigned has subscribed his name.

**Sunwest Homeowners Association, a
Colorado nonprofit corporation**



By: Chad Bowerman
Its: President